

## Message Text

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17

ACTION IO-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 AF-06 ARA-10 EA-10 EUR-12 NEA-10 /078 W

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R 241100Z JUL 75

FM USMISSION GENEVA

TO SECSTATE WASHDC 4878

UNCLAS GENEVA 5882

EO 11652: NA

TAGS: ILO

SUBJECT: ILO:CONGRESSIONAL INQUIRY ABOUT NEW ILO BUILDING

PASS LABOR FOR SEGALL, PERSONS AND QUACKENBUSH

1. CONGRESSMAN JOSEPH KARTH (DEMOCRAT MINNESOTA) ATTENDED MEETING OF TRADE NEGOTIATIONS COMMITTEE (TNC) IN GENEVA 15-16 JULY. MEETING TOOK PLACE IN NEW ILO BUILDING WHICH CONGRESSMAN KARTH THOUGHT WAS LUXURIOUS "WHITE ELEPHANT". MISSION USIA REP PROVIDED SOME DETAILS ON FINANCIAL ARRANGEMENTS AND MR. KARTH ASKED FOR FOLLOWUP MEMO FROM LABATT WITH RUNDOWN ON "US STAKE" IN BUILDING. FOLLOWING INFORMATION WAS PROVIDED BY ILO FINANCE DEPARTMENT AND SHOULD BE USEFUL IN DEPARTMENT'S REPLY TO MR. KARTH.

2. LAND FOR NEW BUILDING WAS ACQUIRED FROM SWISS GOVERNMENT IN EXCHANGE FOR LAKESIDE PROPERTY OWNED BY ILO. SWISS ALSO GAVE ILO 18 MILLION SWISS FRANCS FOR BUILDING ON LAKESIDE PROPERTY AND FINANCED CONSTRUCTION OF NEW BUILDING WITH 40-YEAR LOAN AT 3 AND 1/2 PERCENT INTEREST. LATEST ESTIMATED COST OF NEW BUILDING IS 143,520,000

SWISS FRANCS. COST TO US WILL BE 25 PERCENT OF MORTGAGE PAYMENTS OVER 40-YEAR PERIOD.

3. IN ADDITION TO MEMBER CONTRIBUTIONS TOWARD MORTGAGE OBLIGATION, ILO ALSO HAS RENTAL INCOME OF ROUGHLY 905 HUNDRED THOUSAND SWISS FRANCS PER YEAR FROM SPACE OCCUPIED BY CONCESSIONAIRES AND OTHER UN AGENCIES. OFFICE SPACE IS UNCLASSIFIED

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RENTED IN MODULE UNITS OF 1.2 X 5.3 METERS. GATT RENTS 51

MODULES AND 119 ARE UNDER LEASE TO WHO.

4. ALTHOUGH SWISS CONSTRUCTION COST INDEX ROSE 75 PERCENT BETWEEN  
APRIL 1966 AND APRIL 1974, CONSTRUCTION COST OF WHO BUILDING  
COMPLETED IN 1966 IS SLIGHTLY MORE THAN THAT OF NEW ILO  
BUILDING (270 SWISS FRANCS PER CUBIC METER) COMPLETED IN 1974. DALE

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## Message Attributes

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